

**THE PRIORY PRIMARY ACADEMY TRUST**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**THE PRIORY PRIMARY ACADEMY TRUST**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Members:** J Pender  
J Derryhouse  
R MacDonald  
P Payne-Sahota (Appointed 20th October 2021)

**Trustees:** P Payne-Sahota (Chair)  
J Pender  
M Walsh (appointed 1st September 2022)  
M Stewart (resigned 31st August 2022)  
J Derryhouse  
R MacDonald  
M Clare  
J Rooth

**Senior Management Team:** M Walsh, Headteacher appointed 1<sup>st</sup> September 2022  
M Stewart, Headteacher until 31<sup>st</sup> August 2022  
D Adams, Deputy Headteacher  
L Philpott, CFO

**Company Name:** The Priory Primary Academy Trust

**Registered Office:** Pamber End  
Tadley  
Hampshire  
RG25 5QD

**Company Registration Number:** 07498234

**Independent Auditor:** Landau Baker Limited  
Mountcliff House  
154 Brent Street  
London  
NW4 2DR

**Bankers:** Lloyds Bank Plc  
2 Winchester Street  
Basingstoke  
Hants  
RG21 7EB

**Solicitors:** Phillips Solicitors  
Town Gate  
38 London Street  
Basingstoke  
RG21 7NY

**THE PRIORY PRIMARY ACADEMY TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year to 31<sup>st</sup> August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 4 to 11 serving a catchment area in North Hampshire It has a pupil capacity of 193 and had a roll of 183 in the school census on 6<sup>th</sup> October 2022.

**Structure, Governance and Management**

**Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Priory Primary Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Priory Primary Academy

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on the preceding pages of this document.

**Members' Liability**

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

**Trustees' Indemnities**

Subject to the provisions of the Companies Act, every trustee or other officer of the academy shall be indemnified out of the assets of the academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy.

The Priory Primary Academy Trust is a member of the RPA with an indemnity being £10,000,000 for trustees' and officers. The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2021 to 31 August 2022.

**Method of Recruitment and Appointment or Election of Trustees**

The management of the academy is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association and funding agreement as follows:

- The headteacher
- Up to 2 parent trustees, appointed by the members
- Up to 4 trustees, appointed by the members
- Up to one staff trustee appointed by the members, provided that the maximum number of staff trustees does not exceed one third of the total number of trustees
- Up to One trustees appointed by the trust board
- Up to one trustee appointed by the local authority
- Any trustees appointed by the Secretary of State for Education

The term of office for any trustee is 4 years. The headteacher's term of office runs parallel with their term of appointment. Subject to remaining eligible to be a particular type of trustee, any trustee may be reappointed or re-elected.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

When appointing new governors, the board will give consideration to the skills and experience required to complement the existing members in order to ensure that they have the necessary skill set to contribute fully to the development of the academy. On appointment, induction and training will be provided depending on experience. Where necessary an induction provides training on charity and educational, legal and financial matters. All new governors are given a tour of the academy and the chance to meet with staff and pupils. All governors have access to the Trust's Dropbox containing copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the academy. In addition, each governor is actively encouraged to visit the academy during the school day

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Structure, Governance and Management**

**Organisational Structure**

The academy has established a management structure to enable its efficient running. The structure consists of two levels: the trustees and the executives who are the senior leadership team.

The governing body has considered its role thoughtfully and decided that the role of the trustees is to approve the strategic direction and objectives of the academy and monitor its progress towards these objectives.

The governing body has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders, a scheme of delegation and terms of reference. The headteacher is directly responsible for the day to day running of the academy and is assisted by a senior leadership team.

Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by use of budgets and making major decisions about the direction of the academy, including capital expenditure and senior staff appointments.

The headteacher assumes the accounting officer role.

**Arrangements for setting Pay and Remuneration of Key Management Personnel**

The Priory Primary Academy Trust will follow the agreed pay policy based on the The Key's model. This policy is approved annually by the Governing Body.

Following the annual performance management meetings for the Head Teacher (comprising of HTs Performance Management Governors) pay recommendations within the recommended School Teachers' Pay and Conditions document are sent to the FGB members along with evidence of targets met.

The performance management of the other members of the senior management team has been delegated to the Head Teacher. Pay recommendations are made to the Finance, Pay and Risk Committee of the Board and awarded accordingly.

**Trade Union Facility Time**

No employees were relevant union officials in the year and no time was spent on Trade Union activities.

**Related Parties and other Connected Charities and Organisations**

The Priory Primary Academy Trust has no related parties or connected entities.

**Objectives and Activities**

**Objects and Aims**

The principal object and activity of The Priory Primary Academy is to provide a broad and balanced education for pupils of all abilities in the Pamber End area and wider catchment. The Trust remains the heart of the school community, promoting cohesion and supporting the needs of children, the parents and the broader community. The school has hosted local council meetings, local events and supported community fundraising in addition to the integral educational support it provides.

The Trust continues to provide a broad and balanced curriculum that inspires, challenges and promotes progress in all subject areas.

The school has an 'Outstanding' grade (from its most recent OFSTED inspection) in reference to the personal development of its pupils. This highlights the care and attention the Trust provides its students. The individual needs (social, emotional, developmental and academic) of every pupil are of the highest concern. SEND pupils are fully included into the learning and their provision is tailored to the pupils' specific needs.

The school carefully monitors what pupils are charged for. Where possible trips and visits are subsidised via the PTA and parents are only required to donate. The school is currently reviewing school uniform providers to ensure costs are at a minimum. Parents / Careers are never charged for the education provided by the school; support costs or specific resources. Fundraising boosts curriculum development.

The governors have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the academy.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Objectives and Activities (continued)**

**Objects and Aims (continued)**

In accordance with the articles of association, the academy has adopted a "Scheme of Government" approved by the Secretary of State for Education.

The Scheme of Government specifies, amongst other things, that the Trust will be at the heart of the community promoting community cohesion and sharing facilities; the basis for admitting students to the Trust, that the curriculum should be broad and balanced; there will be an emphasis on the needs of individual pupils including pupils with SEN; the basis for charging pupils.

**Objectives, Strategies and Activities**

**The academy has undertaken self-evaluation activities to correctly identify objectives for the next year. These objectives are:**

- Enhance pupil attainment and progress for all pupils resulting in outcomes that are above/well above national averages
- Continue to develop high impact teaching and learning strategies that result in improved outcomes in the short, medium and long term
- Fully integrate a broad, inclusive, linked curriculum where all subjects have a strong profile and identity with challenge and rigour
- Forge, develop and sustain effective community links to raise the school profile and reputation within the local and regional community establishing pupil numbers at a level that allows financial stability
- Implement further capacity to monitor and develop stakeholder wellbeing
- Develop the school site with a focus on developing learning capacity (esp KS2 classrooms) and reducing the school's carbon footprint to make it more eco friendly
- Further develop a culture of high quality middle leadership and stakeholder accountability

The main strategy is encompassed in the Academy's Aims, which are to develop students who are:

- Active Citizens
- Prepared for their future
- Happy, healthy and safe
- Caring individual's Responsible learners

At the heart of the Academy there is a strong and well-developed ethos where:

- Every child is capable of extraordinary achievement and is able to realise their inner potential.
- Every child is able to develop a lifelong love of learning.
- Every child has an absolute right to an equal opportunity to flourish.
- Every child is able to develop the skills, knowledge and attitudes to realise their own dreams through a positive contribution to their community and wider society.
- Ultimately the Academy's vision is to inspire a love of learning for all of its community.

The long-term well-being of our pupils is dependent on a sustainable economy, society and environment. Therefore, we teach our children to be able to contribute to achieving that sustainability as adults.

It is the responsibility of all of the staff in The Priory Primary Academy to remove any barriers to promoting children's development and create the conditions in which they are able to love and enjoy learning. It is the responsibility of all of the staff in The Priory Primary Academy to reach out and raise and support the aspirations of their community to believe in their children's potential

**The main activities for achieving objectives the academy will undertake will be:**

- To continue to maintain and further develop a broad and balanced curriculum that will challenge, inspire and enrich.
- To continue to ensure that all children make very good levels of attainment and progress through strengthening the current assessment procedures and ensure that high standards are maintained.
- To continue to ensure that all children develop and that pupil wellbeing is fully embedded across the curriculum.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Objectives and Activities (continued)**

**Objectives, Strategies and Activities (continued)**

- To continue to engage in rigorous self-evaluation procedures that will ensure the best outcomes for all the school community.

We believe in preparing children for the next stage of their education and we expect all children to be active citizens who:

- Participate in a range of community activities.
- Have opportunities for leadership in all Key Stages.
- Understand the importance of and contribute to pupil voice activities through the School Council.
- Demonstrate local, national, global, social and environmental awareness.
- Understand that in any society there are limits to individual freedom for the wellbeing of the society as a whole

The children are prepared for their future by:

- Developing their ability to adapt to change
- Developing a broad range of transferable skills
- Developing a knowledge of the world of work
- Developing life skills and academic and personal independence
- Understanding the economic realities of their and others lives and ways to manage financial responsibilities

The children are kept happy, healthy and safe by:

- Understanding the importance of healthy eating for physical and mental wellbeing
- Understanding the importance of exercise for physical and mental wellbeing and acting on awareness of healthy lifestyle choices
- Taking advantage of and enjoying a range of extra-curricular activities
- Developing a knowledge of health issues, including sexual, mental and drug related, to enable informed decisions and choices
- Safely enjoying new technologies, experiences and environments

The children are caring individuals. They:

- Respect everyone and welcome differences
- Are aware of the consequences of their actions, however small, for themselves and others
- Understand the nature of friendship
- Learn to be good listeners & communicators
- Respect other's opinions and beliefs
- Respect themselves

The children are responsible learners. They:

- Recognise that making mistakes is a key part of successful learning and develop perseverance.
- Enjoy and cultivate a positive approach to, and accept responsibility for, their learning
- Are able to enjoy applying knowledge and understand a wide range of situations
- Work successfully in teams and as individuals
- Take responsibility to achieve beyond their potential
- Reflect on both achievements and setbacks and learn from their experiences
- Think and learn creatively

The academy's aims will be reviewed and edited as required.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Public Benefit**

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

As an academy we make the best use of our skills, expertise and experience with regards to the community. Some examples of this are:

- Raising money for local, national and international charities.
- Providing community events such as sports days, assemblies and Christmas performances

**Strategic Report - Achievements and Performance**

**Key Performance Indicators**

The Priory Primary Academy opened as a converter academy in February 2011. Its previous inspection in February 2020 judged the school to be good, with an outstanding classification in the personal development of its pupils.

In terms of school performance and pupil attainment in statutory tests, we aim to be at or above national attainment averages and benchmarks.

The most recent SATs data 2021-22 shows

<b>KS1</b>		
<b>Subject</b>	<b>% achieving expected standard – The Priory</b>	<b>% achieving expected standard – National</b>
Reading	66	67
Writing	62	58
Maths	69	68
Science	86	77
<b>KS2</b>		
Reading	79	74
Writing	67	69
Maths	75	71
Combined RWM	58	59

The school's roll decreased between the 2021/22 to 2022/23 academic years from 187 to 183 on the October 2022 census.

The academy's attendance was above 95% as of October 2022.

The number of fixed term exclusions remains at zero.

**Going Concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

After several years of financial uncertainty, the in-year revenue position improved for 2021.22. However, with rising energy costs, a low birth rate in the school's extended catchment area, and increased national teacher and support staff costs, the updated forecast reflects challenging financial times ahead but the trust is projected to remain a going concern for the forthcoming 12 months.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Strategic Report - Financial Review**

**Finance Review**

During the period, ESFA/LA revenue grants received totalled to £875,953 (2021: £853,920). Other income included within restricted funds totalled to £19,862 (2021: £31,119). Restricted fund expenditure totalled to £958,467 (2021: £950,859).

The main source of unrestricted income is catering, educational visits, lettings and donations, totalling to £90,393 (2021: £56,739). Fundraising activities during the period included, sponsored reads/spells, selling of school photos and seeds

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives a grant from Hampshire County Council to support pupils who are eligible for SEN Funding. This grant is treated as restricted income.

Additional Free School Meal funding was allocated from the local authority, which was utilised to support the wellbeing and needs of identified families, including during the school holidays and in lockdowns.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the academy. It should be noted that this does not present the academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

Overall, the Academy has a healthy balance sheet and cash flow and will be using the reserves to maintain the current assets and also to invest back into the school in the form of additional resources and facilities both in the long term and short term in conjunction with the school development plan and school aims.

The Governing Body receives financial budget v actual v committed reports throughout the year to compare against budgets submitted to the Education and Skills Funding Agency. The Resources Committee discusses and review longer term financial plans and organise resources most effectively to fulfil the aims of the academy.

**Reserves Policy**

The definition of reserves in the SORP is 'that part of a charity's income funds that is freely available for its general purposes'. This definition of reserves therefore normally excludes:

- restricted income funds
- any part of unrestricted funds not readily available for spending, specifically income funds which could only be realised by disposing of fixed assets held for charitable use

Reserves are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'reserves' are income which becomes available to the Academy and is to be spent at the Trustees' discretion in furtherance of any of the Academy's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (ie is 'free')

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The Trustees will keep this level of reserves under review at each board meeting and aim to build and maintain the reserves level by entering into cost effective agreements whilst in keeping with the principal object of the Academy.

Total reserves at the end of the period amounted to £167,458. This balance includes unrestricted funds (free reserves) of £162,264 being 16% of annual revenue income, which is considered appropriate for the Academy Trust, and restricted funds of £5,194 and a pension deficit of £68,000.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Reserves Policy (continued)**

The Governing Body have recognised that salary costs are currently higher than GAG funding and have therefore enacted an action plan to raise pupil numbers, restrict staffing costs where possible and to raise the profile of the Trust via increased fundraising and marketing. A limit has been set relative to salary costs being a sum equivalent to one month's payroll approximately £65,000 and an additional £5000 due to the uncertainties of future Government spending. The reason for this reserve is to provide sufficient working capital and to provide a cushion to deal with unexpected emergencies.

Within the reserves policy users should note that, because of accounting for the Local Government Pension Scheme (LGPS), the Trust recognises a significant pension fund deficit totalling to £68,000 (2021: £457,000). This deficit is included within restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there were a pension surplus included in the restricted fund this would not create an immediately realisable asset that can be released straight away and expended for the specific purposes of that fund.

Users should also note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Trust due to the recognition of the deficit.

**Investment Policy**

Investment policies are determined by the Trust Board. This ensures the level of funds the Trust holds can cover any immediate expenditure, without exposing the Trust to additional risk. Should any potential investment opportunity arise this would be escalated to the Trust Board for consideration.

As at 31 August 2022, no investments were held.

**Principal Risks and Uncertainties**

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Trust is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Trust's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The trust's system of internal controls ensures risk is minimal in these areas.

A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the Trust faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances. The trustees have implemented a number of systems to assess risks that the Academies face, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with the health and safety regulations, pertaining to both staff and pupils.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was a deficit at 31 August 2022. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Fundraising**

The Trust engages in limited fundraising activities throughout the academic year, both for specific projects and to augment the annual education budget

Due consideration is given at all times to ensuring that no fundraising practices are unreasonably intrusive or apply undue pressure especially with regard to vulnerable persons.

**Plans for Future Periods**

The Trust has an ongoing programme of repairs and maintenance and a prioritised improvement plan.

Following approval by the Governing Body the Trust is aiming to replace its oil burner and heating system with a more cost effective, sustainable and environmentally friendly source (ground sources / solar panels etc)

The school's flat roof sections – which has been the source of several unsuccessful CIF bids - is an ongoing project, which is currently being maintained through constant repairs by the Trust's Site Manager.

**Funds Held as Custodian Trustee on Behalf of Others**

The Academy Trust and / or its trustees did not act as custodian trustee during the current or previous period.

**Auditor**

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 16 December 2022 and signed on the board's behalf by:



**M Clare**  
**Trustee**

**THE PRIORY PRIMARY ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

**Scope of responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that The Priory Primary Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of trustees has delegated the day-to-day responsibility to the Headteacher as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Priory Primary Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 9 times during the year.

Attendance during the year at meetings of the board of trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
P Payne-Sahota (Chair)	9	9
M Stewart (resigned 31 <sup>st</sup> August 2022)	9	9
M Walsh (appointed 1 <sup>st</sup> September 2022)	0	0
J Pender	9	9
J Dwerryhouse	9	9
R MacDonald	5	9
M Clare	7	9
J Rooth	6	9

There were no changes to the composition of the board during this financial year other than the change for Accounting Officer at the start of the academic year.

The Governing Body had 2 sub-committees during the 2021-22 academic year, Finance Pay and Risk committee and the Inclusion, Achievement and Curriculum Committee. The latter met only once and was then subsumed into Trust Board meetings. For the 2022-23 academic year there continues to be one sub-committee: Finance, Pay and Risk Committee.

The impact of the Governing Body's work is evaluated using NGA 20 questions at each Board meeting. The Governors will also perform a self-evaluation review of governance and a Chairs 360 in the coming year.

Key findings noted, actions taken and their impact are noted below:

- To ensure pupils academic standards and emotional well-being are being addressed via home schooling solutions and communications
- Embrace the challenges of the new school year including the implementation of the new curriculum topics
- To continue to deliver the best possible outcomes for the children in spite of the significant financial constraints.
- To ensure the school factors in and plans for risks and health safety compliance, updated on the risk register and addressed with priority.

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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

**Conflicts of interest**

The Trust has a robust policy on managing conflicts of interest. This is a standing agenda item at all meetings. In addition, trustees complete a register of pecuniary interests annually. This information is regularly reviewed and published on the trust website.

The **Finance, pay and risk committee** is a sub-committee of the main board of trustees. Its purpose is to advise the Board on matters relating to the Trust's finance and audit arrangements, systems of internal control, certain statutory functions relative to Personnel, Pay and Risk and to advise and aid the Board to ensure sound management of the Trust's finances and resources, including proper planning, monitoring and probity.

Attendance at meetings during the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
R MacDonald	7	7
M Stewart	7	7
M Walsh	0	0
P Payne-Sahota	6	7
J Dwerryhouse	6	7
J Sullivan (resigned October 2021)	1	1
M Clare	3	7
J Pender	1	7

The Inclusion, achievement and curriculum committee, was a sub-committee of the main board of trustees. Its purpose is to ensure access to education for all.

Attendance at meetings during the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
M Stewart	1	1
P Payne-Sahota	1	1
J Rooth	1	1

**Review of Value for Money**

As accounting officer, the headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- continuing to balance the existing staff vs GAG funding by reducing the overall cost of teaching, support and admin costs
- reviewing suppliers' charges and sourcing competitively priced consumables
- supporting the Trust's drive to raise pupil numbers.

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**GOVERNANCE STATEMENT (CONTINUED)**

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Priory Primary Academy Trust for the period to 31 August 2022 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees. )

**The Risk and Control Framework**

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks.

The board of trustees has decided:

- not to appoint an auditor for this purpose. However, the trustees have appointed R MacDonald, a trustee, to carry out a programme of internal checks

The internal auditor's / reviewer's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included:

- Review of purchase cycle and controls
- Review of payroll systems and controls
- Bank reconciliation process

On an annual basis, the auditor / reviewer reports to the board of trustees, through the Finance, pay and risk committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The agreed schedule of work has been delivered as planned. No material control issues were identified as a result of the work undertaken.

**THE PRIORY PRIMARY ACADEMY TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

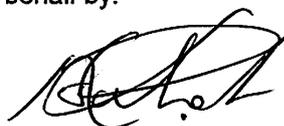
**Review of Effectiveness**

As accounting officer, the headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor / reviewer
- the work of the external auditor
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, pay and risk committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of governing body on 6 December 2022 and signed on their behalf by:



**P Payne-Sahota**  
**Chair of Trustees**



**M Walsh**  
**Accounting Officer**

**THE PRIORY PRIMARY ACADEMY TRUST**  
**(A company limited by guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As accounting officer of The Priory Primary Academy Trust I have considered my responsibility to notify the Academy board of governing body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

I confirm that I and the Academy board of governing body are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2021.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of governing body and ESFA.



**M Walsh**  
**Accounting Officer**  
Date: 6 December 2022

**THE PRIORY PRIMARY ACADEMY TRUST**  
**(A company limited by guarantee)**

**STATEMENT OF GOVERNING BODY'S RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

The governing body (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governing body's report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governing body to prepare financial statements for each financial year. Under company law, the governing body must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governing body are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The governing body are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governing body are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The governing body are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of governing body on 6 December 2022 and signed on its behalf by:



**P Payne-Sahota**  
**Chair of Trustees**

**THE PRIORY PRIMARY ACADEMY TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
PRIORY PRIMARY ACADEMY TRUST**

**Opinion**

We have audited the financial statements of The Priory Primary Academy Trust (the 'academy') for the year ended 31 August 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the governing body's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the governing body with respect to going concern are described in the relevant sections of this report.

**THE PRIORY PRIMARY ACADEMY TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
PRIORY PRIMARY ACADEMY TRUST (CONTINUED)**

**Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The governing body are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governing body's report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governing body's report and the Strategic report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governing body's report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governing body's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Statement of governing body's responsibilities, the governing body (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governing body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the governing body are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governing body either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

**THE PRIORY PRIMARY ACADEMY TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
PRIORY PRIMARY ACADEMY TRUST (CONTINUED)**

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the nature of the industry and its control environment, and reviewed the academy's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the academy's operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.
- We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**THE PRIORY PRIMARY ACADEMY TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
PRIORY PRIMARY ACADEMY TRUST (CONTINUED)**

**Use of our report**

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Carly Pinkus (Senior statutory auditor)**

for and on behalf of

**Landau Baker Limited**

Chartered Accountants  
Statutory Auditors

Mountcliff House  
154 Brent Street  
London  
NW4 2DR

6 December 2022

**THE PRIORY PRIMARY ACADEMY TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE PRIORY  
PRIMARY ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 31 October 2011 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Priory Primary Academy Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Priory Primary Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Priory Primary Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Priory Primary Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of The Priory Primary Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Priory Primary Academy Trust's funding agreement with the Secretary of State for Education dated 1 February 2011 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

The work undertaken to draw to our conclusion includes:

- review of management reporting documents.
- review of Trustees/Governors meeting minutes.
- confirming compliance with the Academy Trust's Scheme of Delegation.
- compliance with delegated authorities.
- consideration of whether any personal benefit has been derived from the Academy Trust's transactions by staff or related parties.
- adherence to tendering policies.

**THE PRIORY PRIMARY ACADEMY TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE PRIORY  
PRIMARY ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Reporting Accountant**

**Landau Baker Limited**

Chartered Accountants  
Statutory Auditors

Mountcliff House  
154 Brent Street  
London  
NW4 2DR

Date: 6 December 2022

**THE PRIORY PRIMARY ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>						
Donations and capital grants	3	23,623	10,118	6,014	39,755	42,205
Other trading activities	5	66,743	9,744	-	76,487	51,579
Investments	6	27	-	-	27	77
Charitable activities	4	-	875,953	-	875,953	853,920
<b>Total income</b>		<b>90,393</b>	<b>895,815</b>	<b>6,014</b>	<b>992,222</b>	<b>947,781</b>
<b>Expenditure on:</b>						
Raising funds		7,042	-	-	7,042	-
Charitable activities	8	64,544	958,467	62,541	1,085,552	1,066,696
<b>Total expenditure</b>		<b>71,586</b>	<b>958,467</b>	<b>62,541</b>	<b>1,092,594</b>	<b>1,066,696</b>
<b>Net income/(expenditure)</b>		<b>18,807</b>	<b>(62,652)</b>	<b>(56,527)</b>	<b>(100,372)</b>	<b>(118,915)</b>
Transfers between funds	17	(4,874)	4,874	-	-	-
<b>Net movement in funds before other recognised gains</b>		<b>13,933</b>	<b>(57,778)</b>	<b>(56,527)</b>	<b>(100,372)</b>	<b>(118,915)</b>
<b>Other recognised gains:</b>						
Actuarial gains on defined benefit pension schemes	23	-	442,000	-	442,000	30,000
<b>Net movement in funds</b>		<b>13,933</b>	<b>384,222</b>	<b>(56,527)</b>	<b>341,628</b>	<b>(88,915)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		148,331	(447,028)	1,533,867	1,235,170	1,324,085
Net movement in funds		13,933	384,222	(56,527)	341,628	(88,915)
<b>Total funds carried forward</b>		<b>162,264</b>	<b>(62,806)</b>	<b>1,477,340</b>	<b>1,576,798</b>	<b>1,235,170</b>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 25 to 45 form part of these financial statements.

**THE PRIORY PRIMARY ACADEMY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07498234**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	13	1,477,340	1,533,867
		1,477,340	1,533,867
<b>Current assets</b>			
Stocks	14	5,228	-
Debtors	15	14,440	35,612
Cash at bank and in hand		231,642	201,862
		251,310	237,474
Creditors: amounts falling due within one year	16	(83,852)	(79,171)
<b>Net current assets</b>		167,458	158,303
<b>Total assets less current liabilities</b>		1,644,798	1,692,170
<b>Net assets excluding pension liability</b>		1,644,798	1,692,170
Defined benefit pension scheme liability	23	(68,000)	(457,000)
<b>Total net assets</b>		1,576,798	1,235,170
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	1,477,340	1,533,867
Restricted income funds	17	5,194	9,972
Restricted funds excluding pension asset	17	1,482,534	1,543,839
Pension reserve	17	(68,000)	(457,000)
<b>Total restricted funds</b>	17	1,414,534	1,086,839
<b>Unrestricted income funds</b>	17	162,264	148,331
<b>Total funds</b>		1,576,798	1,235,170

The financial statements on pages 22 to 45 were approved by the governing body, and authorised for issue on 06 December 2022 and are signed on their behalf, by:

**P Payne-Sahota**  
**Chair of Trustees**

The notes on pages 25 to 45 form part of these financial statements.

**THE PRIORY PRIMARY ACADEMY TRUST**  
**(A company limited by guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	19	29,733	(12,884)
<b>Cash flows from investing activities</b>	20	47	(25,224)
<b>Change in cash and cash equivalents in the year</b>		<b>29,780</b>	<b>(38,108)</b>
Cash and cash equivalents at the beginning of the year		201,862	239,970
<b>Cash and cash equivalents at the end of the year</b>	21, 22	<b>231,642</b>	<b>201,862</b>

The notes on pages 25 to 45 form part of these financial statements

**THE PRIORY PRIMARY ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. Accounting policies**

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

**1.2 Going concern**

The governing body assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The governing body make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 Income**

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy has provided the goods or services.

**THE PRIORY PRIMARY ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. Accounting policies (continued)**

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on raising funds**

This includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

These are costs incurred on the Academy's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**1.5 Taxation**

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.6 Tangible fixed assets**

Assets costing £250 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their estimated useful lives on the following bases:

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**1. Accounting policies (continued)**

**1.6 Tangible fixed assets (continued)**

Buildings	- 33 years
Furniture and equipment	- 4-5 years
Computer equipment	- 3 years

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

**1.7 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.8 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.9 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.10 Liabilities**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**1.11 Financial instruments**

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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**1. Accounting policies (continued)**

**1.12 Pensions**

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

**1.13 Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy at the discretion of the governing body.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

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**2. Critical accounting estimates and areas of judgment**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Academy makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**3. Income from donations and capital grants**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Restricted fixed asset funds 2022 £</b>	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Donations	23,623	10,118	-	33,741	36,202
Capital Grants	-	-	6,014	6,014	6,003
	<u>23,623</u>	<u>10,118</u>	<u>6,014</u>	<u>39,755</u>	<u>42,205</u>
<i>Total 2021</i>	<u>5,083</u>	<u>31,119</u>	<u>6,003</u>	<u>42,205</u>	

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**4. Funding for the Academy's charitable activities**

	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	764,293	<b>764,293</b>	672,787
Other DfE/ESFA grants			
Pupil Premium	10,491	<b>10,491</b>	10,156
UIFSM	34,436	<b>34,436</b>	34,539
Others	18,136	<b>18,136</b>	49,714
	<u>827,356</u>	<u><b>827,356</b></u>	<u>767,196</u>
<b>Other Government grants</b>			
Local Authority Grants	48,597	<b>48,597</b>	73,909
	<u>48,597</u>	<u><b>48,597</b></u>	<u>73,909</u>
<b>COVID-19 additional funding (DfE/ESFA)</b>			
Catch-up Premium	-	-	14,560
Other DfE/ESFA COVID-19 funding	-	-	(1,745)
	<u>-</u>	<u>-</u>	<u>12,815</u>
	<u>875,953</u>	<u><b>875,953</b></u>	<u>853,920</u>
	<u><b>875,953</b></u>	<u><b>875,953</b></u>	<u>853,920</u>

**5. Income from other trading activities**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Catering Income	25,422	-	<b>25,422</b>	20,126
Other Income	11,432	9,744	<b>21,176</b>	12,081
Lettings Income	7,500	-	<b>7,500</b>	7,500
Trip Income	22,389	-	<b>22,389</b>	11,872
	<u>66,743</u>	<u>9,744</u>	<u><b>76,487</b></u>	<u>51,579</u>
<b>Total 2021</b>	<u><b>51,579</b></u>	<u>-</u>	<u><b>51,579</b></u>	

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**6. Investment income**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Bank interest	27	27	77
	27	27	77

**7. Expenditure**

	<b>Staff Costs 2022 £</b>	<b>Premises 2022 £</b>	<b>Other 2022 £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Expenditure on raising voluntary income:					
Direct costs	-	-	7,042	7,042	-
Educational Activities:					
Direct costs	674,347	-	83,910	758,257	764,836
Allocated support costs	152,825	50,066	124,404	327,295	301,860
	827,172	50,066	215,356	1,092,594	1,066,696
<i>Total 2021</i>	<i>816,158</i>	<i>41,323</i>	<i>209,215</i>	<i>1,066,696</i>	

**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2022 £</b>	<b>Support costs 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Educational Activities	758,257	327,295	1,085,552	1,066,696
	758,257	327,295	1,085,552	1,066,696
<i>Total 2021</i>	<i>764,836</i>	<i>301,860</i>	<i>1,066,696</i>	

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**8. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Educational Activities 2022 £</b>	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Staff Costs	674,347	<b>674,347</b>	673,408
Educational Supplies & Services	18,235	<b>18,235</b>	15,055
Staff Development	5,772	<b>5,772</b>	1,275
Other Direct Costs	59,903	<b>59,903</b>	75,098
	<u>758,257</u>	<u><b>758,257</b></u>	<u>764,836</u>

**Analysis of support costs**

	<b>Educational Activities 2022 £</b>	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Pension Finance Costs	8,000	<b>8,000</b>	7,000
Staff Costs	107,825	<b>107,825</b>	96,750
Depreciation	62,521	<b>62,521</b>	61,637
Repairs & Maintenance	6,799	<b>6,799</b>	3,066
Other Occupancy Costs	30,120	<b>30,120</b>	27,694
Recruitment & Support	1,559	<b>1,559</b>	1,271
Insurance	1,071	<b>1,071</b>	901
Catering Expenses	23,014	<b>23,014</b>	17,401
Other Support Costs	21,890	<b>21,890</b>	23,926
Non Cash Pension Costs	45,000	<b>45,000</b>	46,000
Energy Costs	12,076	<b>12,076</b>	10,563
Governance Costs	7,420	<b>7,420</b>	5,651
	<u>327,295</u>	<u><b>327,295</b></u>	<u>301,860</u>

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**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Depreciation of tangible fixed assets	62,521	61,637
Fees paid to auditors for:		
- audit	6,490	6,520
- other services	500	505
	62,521	61,637

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	617,925	607,350
Social security costs	46,067	45,469
Pension costs	118,180	117,339
	782,172	770,158
Non cash pension costs	45,000	46,000
	827,172	816,158

**b. Staff numbers**

The average number of persons employed by the Academy during the year was as follows:

	2022 No.	2021 No.
Teachers	11	11
Educational & other support staff	24	23
Management	2	2
	37	36

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**10. Staff (continued)**

**c. Higher paid staff**

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>1</b>	<b>1</b>
	<u>1</u>	<u>1</u>

**d. Key management personnel**

The key management personnel of the Academy comprise the governing body and the senior management team as listed on page . The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £150,497 (2021 - £142,593).

**11. Trustees' remuneration and expenses**

One or more governing body has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff governing body only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of governing body's remuneration and other benefits was as follows:

		<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
M Stewart, Headteacher	Remuneration	<b>65,000 -</b>	<b>65,000 -</b>
		<b>70,000</b>	<b>70,000</b>
	Pension contributions paid	<b>15,000 -</b>	<b>15,000 -</b>
		<b>20,000</b>	<b>20,000</b>
D Adams, Deputy Headteacher	Remuneration	<b>NIL</b>	<b>20,000 -</b>
			<b>25,000</b>
	Pension contributions paid	<b>NIL</b>	<b>0 - 5,000</b>

During the year ended 31 August 2022, no governing body expenses have been incurred (2021 - £NIL).

**12. Trustees' and Officers' insurance**

The Academy has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects governing body and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the governing body and officers indemnity element from the overall cost of the RPA scheme membership.

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**13. Tangible fixed assets**

	Freehold property £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2021	1,933,886	452,795	87,032	2,473,713
Additions	-	5,994	-	5,994
Disposals	-	(849)	(36,256)	(37,105)
At 31 August 2022	<u>1,933,886</u>	<u>457,940</u>	<u>50,776</u>	<u>2,442,602</u>
<b>Depreciation</b>				
At 1 September 2021	434,911	436,195	68,740	939,846
Charge for the year	46,017	6,993	9,511	62,521
On disposals	-	(849)	(36,256)	(37,105)
At 31 August 2022	<u>480,928</u>	<u>442,339</u>	<u>41,995</u>	<u>965,262</u>
<b>Net book value</b>				
At 31 August 2022	<u>1,452,958</u>	<u>15,601</u>	<u>8,781</u>	<u>1,477,340</u>
At 31 August 2021	<u>1,498,975</u>	<u>16,600</u>	<u>18,292</u>	<u>1,533,867</u>

**14. Stocks**

	2022 £	2021 £
Stock	<u>5,228</u>	<u>-</u>

**15. Debtors**

	2022 £	2021 £
<b>Due within one year</b>		
Other debtors	7,208	17,361
Prepayments and accrued income	7,232	18,251
	<u>14,440</u>	<u>35,612</u>

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**16. Creditors: Amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	£	£
Trade creditors	132	14,034
Other taxation and social security	24,410	14,018
Other creditors	-	18,209
Accruals and deferred income	59,310	32,910
	<b>83,852</b>	<b>79,171</b>
	<b>83,852</b>	<b>79,171</b>
	<b>2022</b>	<b>2021</b>
	£	£
Deferred income at 1 September 2021	22,204	19,322
Resources deferred during the year	34,564	22,204
Amounts released from previous periods	(22,204)	(19,322)
	<b>34,564</b>	<b>22,204</b>
	<b>34,564</b>	<b>22,204</b>

At the balance sheet date the academy trust was holding funds received in advance for Universal income free school meals for 2022/23 and unspent PE funding from 2021/22 to be recouped by the ESFA.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Statement of funds**

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>						
General Funds - all funds	148,331	90,393	(71,586)	(4,874)	-	162,264
<b>Restricted general funds</b>						
GAG	-	764,293	(764,293)	-	-	-
Pupil Premium	-	10,491	(10,491)	-	-	-
UIFSM	-	34,436	(34,436)	-	-	-
Other DfE/ESFA Funding	-	14,046	(14,046)	-	-	-
PE Sports Grant Funding	-	4,090	(4,090)	-	-	-
Catch-up Premium	9,472	-	(4,278)	-	-	5,194
SEN/LA Funding	-	48,597	(48,597)	-	-	-
General funds	500	19,862	(25,236)	4,874	-	-
Pension reserve	(457,000)	-	(53,000)	-	442,000	(68,000)
	<b>(447,028)</b>	<b>895,815</b>	<b>(958,467)</b>	<b>4,874</b>	<b>442,000</b>	<b>(62,806)</b>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds - all funds	1,533,867	6,014	(62,541)	-	-	1,477,340
<b>Total Restricted funds</b>	<b>1,086,839</b>	<b>901,829</b>	<b>(1,021,008)</b>	<b>4,874</b>	<b>442,000</b>	<b>1,414,534</b>
<b>Total funds</b>	<b>1,235,170</b>	<b>992,222</b>	<b>(1,092,594)</b>	<b>-</b>	<b>442,000</b>	<b>1,576,798</b>

The specific purposes for which the funds are to be applied are as follows:

Restricted Fixed Asset funds have been increased by capital grants provided by the DfE and reduced by depreciation charges.

Restricted General funds have been increased by revenue grants provided by the DfE and reduced by expenditure incurred in the operation of the academy.

The Restricted funds can only be used in the terms of limitations imposed by the Funding Agreement with  
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**17. Statement of funds (continued)**

the DfE and the terms of any specific grant.

Unrestricted funds have been increased by voluntary contributions by parents and reduced by expenditure incurred in the operation of the academy.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

Comparative information in respect of the preceding year is as follows:

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
<b>Unrestricted funds</b>						
General Funds - all funds	171,109	56,739	(54,200)	(25,317)	-	148,331
<b>Restricted general funds</b>						
GAG	9,891	672,787	(707,928)	25,250	-	-
Pupil premium	-	10,156	(10,156)	-	-	-
UIFSM	-	34,539	(34,539)	-	-	-
Other ESFA funding	-	32,214	(32,214)	-	-	-
PE Sports Grant funding	12,030	17,500	(29,530)	-	-	-
Catch-up Premium	-	14,560	(5,088)	-	-	9,472
Other DfE/ESFA COVID-19 funding	-	(1,745)	1,745	-	-	-
SEN/LA funding	-	73,909	(73,909)	-	-	-
General funds	-	31,119	(6,240)	(24,379)	-	500
Pension reserve	(434,000)	-	(53,000)	-	30,000	(457,000)
	<u>(412,079)</u>	<u>885,039</u>	<u>(950,859)</u>	<u>871</u>	<u>30,000</u>	<u>(447,028)</u>

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**17. Statement of funds (continued)**

	<i>Balance at 1 September 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2021</i>
	£	£	£	£	£	£
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds - all funds	1,564,200	-	(54,779)	24,446	-	1,533,867
Devolved Formula Capital	855	6,003	(6,858)	-	-	-
	<u>1,565,055</u>	<u>6,003</u>	<u>(61,637)</u>	<u>24,446</u>	<u>-</u>	<u>1,533,867</u>
<b>Total Restricted funds</b>	<u>1,152,976</u>	<u>891,042</u>	<u>(1,012,496)</u>	<u>25,317</u>	<u>30,000</u>	<u>1,086,839</u>
<b>Total funds</b>	<u><u>1,324,085</u></u>	<u><u>947,781</u></u>	<u><u>(1,066,696)</u></u>	<u><u>-</u></u>	<u><u>30,000</u></u>	<u><u>1,235,170</u></u>

**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2022</b>	<b>Restricted funds 2022</b>	<b>Restricted fixed asset funds 2022</b>	<b>Total funds 2022</b>
	£	£	£	£
Tangible fixed assets	-	-	1,477,340	1,477,340
Current assets	162,264	89,046	-	251,310
Creditors due within one year	-	(83,852)	-	(83,852)
Provisions for liabilities and charges	-	(68,000)	-	(68,000)
<b>Total</b>	<u>162,264</u>	<u>(62,806)</u>	<u>1,477,340</u>	<u>1,576,798</u>

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**18. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	-	1,533,867	1,533,867
Current assets	148,331	89,143	-	237,474
Creditors due within one year	-	(79,171)	-	(79,171)
Provisions for liabilities and charges	-	(457,000)	-	(457,000)
<b>Total</b>	<u>148,331</u>	<u>(447,028)</u>	<u>1,533,867</u>	<u>1,235,170</u>

**19. Reconciliation of net expenditure to net cash flow from operating activities**

	<b>2022 £</b>	<b>2021 £</b>
Net expenditure for the year (as per Statement of financial activities)	<u>(100,372)</u>	<u>(118,915)</u>
<b>Adjustments for:</b>		
Depreciation	62,521	61,637
Capital grants from DfE and other capital income	(6,014)	(6,003)
Interest receivable	(27)	(77)
Defined benefit pension scheme cost less contributions payable	45,000	46,000
Defined benefit pension scheme finance cost	8,000	7,000
(Increase)/decrease in stocks	(5,228)	-
Decrease/(increase) in debtors	21,172	(16,383)
Increase in creditors	4,681	13,857
<b>Net cash provided by/(used in) operating activities</b>	<u>29,733</u>	<u>(12,884)</u>

**20. Cash flows from investing activities**

	<b>2022 £</b>	<b>2021 £</b>
Dividends, interest and rents from investments	27	77
Purchase of tangible fixed assets	(5,994)	(31,304)
Capital grants from DfE Group	6,014	6,003
<b>Net cash provided by/(used in) investing activities</b>	<u>47</u>	<u>(25,224)</u>

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**21. Analysis of cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	£	£
Cash in hand and at bank	231,642	201,862
<b>Total cash and cash equivalents</b>	<b>231,642</b>	<b>201,862</b>

**22. Analysis of changes in net debt**

	<b>At 1 September 2021</b>	<b>Cash flows</b>	<b>At 31 August 2022</b>
	£	£	£
Cash at bank and in hand	201,862	29,780	231,642
	<b>201,862</b>	<b>29,780</b>	<b>231,642</b>

**23. Pension commitments**

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hampshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 August 2022.

Contributions amounting to £13,309 were payable to the schemes at 31 August 2022 (2021 - £ -) and are included within creditors.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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**23. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £88,954 (2021 - £91,385).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £33,000 (2021 - £38,000), of which employer's contributions totalled £25,000 (2021 - £29,000) and employees' contributions totalled £8,000 (2021 - £9,000). The agreed contribution rates for future years are 18.9 per cent for employers and between 5.5 - 7.5 per cent for employees.

As described in note 1.12 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

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**23. Pension commitments (continued)**

**Principal actuarial assumptions**

Hampshire Pension Fund

	<b>2022</b>	<b>2021</b>
	%	%
Rate of increase in salaries	<b>3.70</b>	3.60
Rate of increase for pensions in payment/inflation	<b>2.70</b>	2.60
Discount rate for scheme liabilities	<b>4.10</b>	1.70
Inflation assumption (CPI)	<b>2.70</b>	2.60

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	<b>2022</b>	<b>2021</b>
	Years	Years
<i>Retiring today</i>		
Males	<b>24.7</b>	23.1
Females	<b>25.4</b>	25.5
<i>Retiring in 20 years</i>		
Males	<b>24.7</b>	24.8
Females	<b>25.4</b>	27.3

**Share of scheme assets**

The Academy's share of the assets in the scheme was:

	<b>At 31</b>	<b>At 31 August</b>
	<b>August 2022</b>	<b>2021</b>
	£	£
Equities	<b>389,000</b>	403,000
Government bonds	<b>102,000</b>	127,000
Property	<b>52,000</b>	43,000
Cash and other liquid assets	<b>6,000</b>	5,000
Multi Asset Credit	<b>59,000</b>	-
Other	<b>63,000</b>	123,000
<b>Total market value of assets</b>	<b>671,000</b>	<b>701,000</b>

The actual return/(losses) on scheme assets was £(64,000) (2021 - £107,000).

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**23. Pension commitments (continued)**

The amounts recognised in the Statement of financial activities are as follows:

	2022 £	2021 £
Current service cost	(70,000)	(75,000)
Interest income	12,000	10,000
Interest cost	(20,000)	(17,000)
<b>Total amount recognised in the Statement of financial activities</b>	<b>(78,000)</b>	<b>(82,000)</b>

Changes in the present value of the defined benefit obligations were as follows:

	2022 £	2021 £
<b>At 1 September</b>	<b>1,159,000</b>	<b>992,000</b>
Current service cost	70,000	75,000
Interest cost	20,000	17,000
Employee contributions	8,000	9,000
Actuarial (gains)/losses	(506,000)	67,000
Benefits paid	(12,000)	(1,000)
<b>At 31 August</b>	<b>739,000</b>	<b>1,159,000</b>

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2022 £	2021 £
<b>At 1 September</b>	<b>702,000</b>	<b>558,000</b>
Interest income	12,000	10,000
Actuarial (losses)/gains	(64,000)	97,000
Employer contributions	25,000	29,000
Employee contributions	8,000	9,000
Benefits paid	(12,000)	(1,000)
<b>At 31 August</b>	<b>671,000</b>	<b>702,000</b>

**24. Operating lease commitments**

At 31 August 2022 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	-	205

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**25. Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

**26. Related party transactions**

Owing to the nature of the Academy and the composition of the board of governing body being drawn from local public and private sector organisations, transactions may take place with organisations in which the governing body have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.